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Proxmire Sees Anti-Missiles As Only Basis for Tax Rise

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Sen. William Proxmire, D-Wis., said today he sees no need for a tax increase unless the country should embark on a vast undertaking to counter reported Russian deployment of an anti-missile system.

He said this, rather than the Vietnamese war, should determine what should be done about increasing taxes.

Proxmire outlined his views in a speech prepared for delivery before the Tax Foundation, Inc., in New York. In this speech he outlined numerous other ways for cutting federal expenditures to avoid tax increases.

Proxmire's views carried some weight because of his position as ranking member of the Senate Bank and Currency Committee in the 90th Congress taking over in January. He is also a member of the Senate Appropriations Committee and the Joint Congressional Economics Committee.

Cost to Be Great

Proxmire noted that President Johnson and Secretary of Defense Robert S. McNamara indicated recently that the Russians are deploying an anti-missile system. At the time, Proxmire added, McNamara said he was recommending the

immediate deployment of a new Poseidon missile at a construction cost of \$2 billion and a deployment cost of several billion, to replace the present Polaris missile.

Then, Proxmire said, Sen. Richard B. Russell, D-Ga., chairman of the Senate Armed Services Committee, said that on the basis of what McNamara said this country should move at once to construct and deploy its own Nike-X anti-missile system.

"The cost of such deployment would be very great indeed," Proxmire said. "If Congress and the administration decide to act, the urgency will be intense."

Proxmire said that in recent months wholesale prices, prices paid to farmers, industrial activity, new factory orders, and many other economic indicators have all leveled off. In addition, he added, the construction industry is in serious trouble.

In view of all these factors, Proxmire suggested, in lieu of a tax increase the following:

1. Spending cuts "far more deeply" than the President has indicated he will make.
2. Recall of four of the six American divisions in Europe, which he said would save \$1 billion.
3. Reduction of the space program by \$1 billion, which he said could be accomplished without slowing down the moon program.
4. Postponement or cancellation of the supersonic transport program, which is scheduled to cost \$40 million a month for prototype construction beginning in February.